

Cash Management Improvement Act Agreement
between
The State of Oklahoma
and
The Secretary of the Treasury,
United States Department of the Treasury

The Secretary of the Treasury, United States Department of the Treasury (hereafter 'Secretary'), and State of Oklahoma (hereafter 'State'), in order to implement Section 5 of the Cash Management Improvement Act of 1990, as amended (hereafter 'Act'), agree as follows:

1.0 AGENTS OF THE AGREEMENT

1.1 The Authorized Official(s) for the State of Oklahoma shall be the State Comptroller of the Office of Management and Enterprise Services in all matters concerning this Agreement.

1.2 The Assistant Commissioner, Revenue Collections Management, Bureau of the Fiscal Service (Fiscal Service), U.S. Department of the Treasury, shall act as the Secretary's representative in all matters concerning this Agreement.

2.0 AUTHORITY

2.1 The authority for this Agreement is the Cash Management Improvement Act of 1990 (Public Law 101-453), as amended by the Cash Management Improvement Act of 1992 (Public Law 102-589), codified at 31 U.S.C. 6501 and 31 U.S.C. 6503.

2.2 The regulations codified at 31 CFR Part 205 shall apply to all matters pertaining to this Agreement, and are incorporated herein by reference. In the event of any inconsistency between this Agreement and 31 CFR Part 205, the regulations shall govern.

3.0 DURATION, AMENDING, TERMINATING, AND MISCELLANEOUS PROVISIONS

3.1 This Agreement shall take effect on 07/01/2023 and shall remain in effect until 06/30/2024.

3.2 This Agreement may be amended at any time by written, mutual consent of the State and the Fiscal Service. This Agreement shall be amended annually to incorporate new programs that qualify as major Federal assistance programs and remove programs that no longer qualify as major Federal assistance programs. A State must notify the Fiscal Service in writing within 30 days of the time the State becomes aware of a change that involves additions or deletions of programs subject to Subpart A, changes in funding techniques, and/or changes in clearance patterns. The notification must include a proposed amendment for review by the Fiscal Service.

3.3 Notwithstanding section 3.2, in the event of Federal or State non-compliance with Subpart B of 31 CFR, Part 205, the Fiscal Service may amend this Agreement at any time to incorporate additional programs and the entities that administer those programs.

3.4 This Agreement may be terminated by either party with 30 days written notice. If this Agreement is terminated, the Fiscal Service will prescribe the funding techniques, clearance patterns, and methods for calculating interest liabilities to be used by the State.

4.0 PROGRAMS COVERED

4.1 The State's threshold and its major Federal assistance programs shall be determined based on the State's Schedule of Expenditures of Federal Awards for fiscal year ending 06/30/2022.

All major Federal assistance programs shall be covered by this Agreement, unless otherwise specified in section 4.4 of this Agreement.

4.2 The State's threshold for major Federal assistance programs is \$60,000,000.

The following programs meet or exceed the threshold and are not excluded in Section 4.4:

| CFDA | Program Name |
|---------|--|
| 10.542 | Pandemic EBT Food Benefits |
| 10.551 | Supplemental Nutrition Assistance Program |
| 10.553 | School Breakfast Program |
| 10.555 | National School Lunch Program |
| 10.558 | Child and Adult Care Food Program |
| 17.225F | Unemployment Insurance -- Federal Benefit Account and Administrative Costs |
| 17.225S | Unemployment Insurance -- State Benefit Account |
| 20.205 | Highway Planning and Construction |
| 64.015 | Veterans State Nursing Home Care |
| 84.010 | Title I Grants to Local Educational Agencies |
| 84.027 | Special Education -- Grants to States |
| 84.425 | Education Stabilization Fund |
| 84.425 | Education Stabilization Fund |
| 93.323 | Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) |
| 93.575 | Child Care and Development Block Grant |
| 93.658 | Foster Care -- Title IV-E |
| 93.659 | Adoption Assistance |
| 93.767 | Children's Health Insurance Program |
| 93.778 | Medical Assistance Program |
| 97.036 | Disaster Grants - Public Assistance (Presidentially Declared Disasters) |

4.3 The following programs fall below the State's threshold but have been required to be covered by Fiscal Service in accordance with the non-compliance provisions of Subpart B of 31 CFR Part 205:

There are currently no programs listed for Section 4.3.

4.4 The following programs exceed the State's threshold but have been excluded from coverage for the reason indicated:

| CFDA | Program Name | Exclusion Reason |
|--------|-------------------------------------|------------------|
| 93.268 | Immunization Cooperative Agreements | Non-Cash |

5.0 ENTITIES COVERED

5.1 State agencies and instrumentalities that meet the definition of a State per 31 CFR Part 205, shall be subject to the terms of this Agreement. The following is a list of such entities that administer funds under the programs listed in Section 4.0 of this Agreement:

Department of Education
 Department of Emergency Management
 Department of Health
 Department of Human Services
 Department of Transportation

Department of Veterans Affairs
 Employment Security Commission
 Health Care Authority

5.2 Entities that meet the definition of a Fiscal Agent per 31 CFR Part 205 shall be subject to the terms of this Agreement. The following is a list of Fiscal Agents that administer funds under the programs listed in the Section 4.0 of this Agreement:

| Fiscal Agent | CFDA | Program Name |
|--------------|--------|---|
| Xerox | 10.542 | Pandemic EBT Food Benefits |
| Xerox | 10.551 | Supplemental Nutrition Assistance Program |
| Xerox | 93.575 | Child Care and Development Block Grant |

6.0 FUNDING TECHNIQUES

6.1 General Terms

6.1.1 The State shall request Federal funds in accordance with the appropriate cut-off times shown in Exhibit I to ensure funds will be received and credited to a State account by the times specified in the funding techniques. Exhibit I is incorporated by reference herein.

6.1.2 The State shall schedule the receipt of Federal funds such that the funds are received and credited to a State account in accordance with the clearance patterns specified in Exhibit II - List of State Clearance Patterns. Exhibit II is incorporated by reference herein.

6.1.3 In instances where the receipt of funds is scheduled for a Saturday, the State shall request funds for deposit on Friday. In instances where the receipt of funds is scheduled for a Sunday, the State shall request funds for deposit on Monday. In instances where the receipt of Federal funds is scheduled for deposit on a day when the State is not open for business, the State shall request funds for deposit the day following the scheduled day; in instances where the receipt of Federal funds is scheduled for deposit on a day when the Federal Government is not open for business, the State shall request funds for deposit the day prior to the scheduled day.

6.1.4 Estimates and Reconciliation of Estimates:

Where estimated expenditures are used to determine the amount of the drawdown, the State will indicate in the terms of the State unique funding technique how the estimated amount is determined and when and how the State will reconcile the difference between the estimate and the State's actual expenditures.

6.1.5 Supplemental Funding:

Unless otherwise defined by program rules, Supplemental Funding is the award of additional funds to provide for an increase in costs due to unforeseen circumstances.

The State will comply with all Federal program agency policies and procedures for requesting supplemental grant funding.

The State will comply with the following guidelines when requesting supplemental funding for the Medical Assistance Program and associated administrative payments (CFDA 93.778):

The State must submit a revised Medicaid Program Budget Report (CMS-37) to request supplemental funding. The CMS guidelines and instructions for completing the CMS-37 are provided in Section 2600F of the State Medicaid Manual (SMM). The CMS/CO must receive the revised Form CMS-37 through the Medicaid Budget Expenditure System/Children's Budget Expenditure System (MBES/CBES) no later than 10 calendar days before the end of the quarter for which the supplemental grant award is being requested.

Additional guidance on this policy is available from the respective CMS Regional Office, U.S. Department of Health & Human Services.

The State will comply with the following guidelines when requesting supplemental funding for TANF (CFDA 93.558), CCDF (CFDA 93.575), CSE (93.563), and the FC/AA (CFDA 93.658 and CFDA 93.659) programs administered by the U.S. Department of Human Services, Administration for Children and Families (HHS/ACF):

a. Timing of the Request

A State should initiate its request for supplemental funding during a quarter as soon as it becomes aware of the fact that a shortfall does/will exist. For the TANF and CCDF grants, supplemental funding requests (estimates) may be submitted by a State, for consideration by ACF, up through and including the 15th day of the third month of the first, second or third quarter of any fiscal year. Since TANF and CCDF are block grant programs, all unawarded portions of the annual allotment will automatically be issued at the beginning of the fourth quarter. Therefore, supplemental funding requests will not be available during the fourth quarter for these programs. For the CSE and FC/AA programs, supplemental funding requests may be submitted by a state, for consideration by ACF, up through and including the 15th day of the third month of any quarter of a fiscal year.

b. Justification for the Request

The request for a supplemental funding for any of the above-mentioned programs should contain a justification clearly documenting the need for the additional funding authority during the current quarter. This documentation should be in the form of State accounting records or similar documents that will show the actual expenditures through the most recent month for which such data are available, as well as the State's most accurate projection of its anticipated expenditures during the remaining month(s) of the quarter. For either the TANF or the CCDF program, the State's justification should also include an explanation of the activities requiring the obligation and/or expenditure of amounts that exceed the normal quarterly grant award restrictions and why these activities could not have been delayed until the next quarter.

c. Form Submittal

Supplemental funding requests should be made by completing the appropriate ACF quarterly report of expenditures and estimates applicable to the particular program for which the grant award request is being made.

d. Approval Process

Upon receipt of the state's request for additional funding authority for a quarter, the ACF Regional Office will promptly review the supporting documentation. If the request is properly justified, so long as ACF has adequate funding availability, the State's request will be expedited and supplemental funding will be issued within 5 days of ACF receiving the request. The State will be notified by the Regional Office when the supplemental award has been transmitted to the Payment Management System (PMS) and when it may initiate drawdowns against the supplemental funding.

Additional guidance on this policy is provided in the U.S. Department of Health & Human Services, Administration for Children and Families, letter (May 19, 2004) to State Administrators from the Deputy Assistant Secretary for Administration.

6.2 Description of Funding Techniques

6.2.1 The following are terms under which standard funding techniques shall be implemented for all transfers of funds to which the funding technique is applied in section 6.3.2 of this Agreement.

| Funding Technique Name | Description |
|-----------------------------|---|
| Actual Clearance, ZBA - ACH | The State shall request funds such that they are deposited by ACH in a State account on the settlement date of payments issued by the State. The request shall be made in accordance with the appropriate Federal agency cut-off time specified in Exhibit I. The amount of the request shall be for the amount of funds that clear the State's account on the settlement date. This funding technique is interest neutral. |

| | |
|--|--|
| Actual Clearance, ZBA - Same Day Payment | The State shall request funds the same day it pays out funds, in accordance with the appropriate Federal agency cut-off time specified in Exhibit I. A Federal agency will deposit funds in a State account the same day as requested. The amount of the request shall be for the amount of funds that clear the State's account that day. This funding technique is interest neutral. |
| Average Clearance | The State shall request funds such that they are deposited by ACH on the dollar-weighted average day of clearance for the disbursement, in accordance with the clearance pattern specified in Exhibit II. The request shall be made in accordance with the appropriate Federal agency cut-off time specified in Exhibit I. The amount of the request shall be for the exact amount of that disbursement. This funding technique is interest neutral. |

6.2.2 The following are terms under which funding techniques for administrative costs shall be implemented for all transfers of funds to which the funding technique is applied in section 6.3.2 of this Agreement.

There are currently no funding techniques listed in Section 6.2.2.

6.2.3 The following are terms under which miscellaneous funding techniques shall be implemented for all transfers of funds to which the funding technique is applied in section 6.3.2 of this Agreement.

There are currently no funding techniques listed in Section 6.2.3.

6.2.4 The following are terms under which State unique funding techniques shall be implemented for all transfers of funds to which the funding technique is applied in section 6.3.2 of this Agreement.

| Funding Technique Name | Description |
|---|--|
| Cost Allocation - Actual - Biweekly | Actual Allocation, Biweekly: The State shall request funds every two weeks, such that they are deposited during the first and third weeks of the month, to fund activity of the prior two weeks. The request shall be made in accordance with the appropriate Federal agency cut-off time specified in Exhibit I. The amount of the request for a given two week's activity shall be based on actual costs distributed in accordance with the State's approved cost allocation plan. This funding technique is interest neutral. |
| Cost Allocation - Actual - Quarterly | Actual Allocation, Quarterly: The State shall request funds every quarter, such that they are deposited 45 days after the end of the quarter, to fund activity of the prior quarter. The request shall be made in accordance with the appropriate Federal agency cut-off time specified in Exhibit I. The amount of the request for a given quarter's activity shall be based on actual costs distributed in accordance with the State's approved cost allocation plan. This funding technique is interest neutral. |
| Cost Allocation - Weekly - Variation #1 | Weekly Allocation, Variation 1: The State shall request funds weekly to fund costs incurred. The request shall be made in accordance with the appropriate Federal agency cut-off time specified in Exhibit I. The amount of the request shall be the actual Federal administrative costs incurred, based on expenditures of the prior week. The percentage of administrative costs for each week are attributable to each grant. Actual Clearance (0 Days). This funding technique is interest neutral. |
| Payment Schedule - Monthly - Variation #1 | The State shall request funds such that they are deposited in a State account on the (A) to fund the costs incurred during that period. The request shall be made in accordance with the appropriate Federal agency cut-off time specified in Exhibit I. The amount of the request shall be (B) and adjusted to actual on a (C) basis. A - 15th (or closest working day prior to the 15th) B - an estimate based on the actual allocation of costs to the program for the preceding six months, or one-third the quarterly grant award C - quarterly. This funding technique is interest neutral. |
| Payment Schedule - Monthly - Variation #5 | The State shall request funds such that they are deposited in a State account (A) to provide per diem for the total days of care provided during that period. The request shall be made in accordance with the appropriate Federal agency cut-off time specified in Exhibit I. The amount of the request shall be (B) and adjusted to actual on a (C) basis. |

| | |
|--|--|
| | <p>A - no later than the last day of the current month following submission of the prior month' s State Homes Report</p> <p>B - the applicable per diem rate times the actual prior month' s total days of care</p> <p>C - not applicable. This funding technique is interest neutral.</p> |
| Payment Schedule - Weekly - Variation #7 | <p>The State shall request funds such that they are deposited in a State account on the (A) to fund the costs incurred during that period. The request shall be made in accordance with the appropriate Federal agency cut-off time specified in Exhibit I. The amount of the request shall be (B) and adjusted to actual on a (C) basis.</p> <p>A - midweek</p> <p>B - prior week's costs</p> <p>C - not applicable This funding technique is interest neutral.</p> |

6.3 Application of Funding Techniques to Programs

6.3.1 The State shall apply the following funding techniques when requesting Federal funds for the component cash flows of the programs listed in sections 4.2 and 4.3 of this Agreement.

6.3.2 Programs

Below are programs listed in Section 4.2 and Section 4.3.

10.542 Pandemic EBT Food Benefits

Recipient: Department of Human Services

% of Funds Agency Receives: 100

Component: EBT

Technique: Actual Clearance, ZBA - ACH

Average Day of Clearance: N/A

10.551 Supplemental Nutrition Assistance Program

Recipient: Department of Human Services

% of Funds Agency Receives: 100

Component: Program, EBT Component

Technique: Actual Clearance, ZBA - ACH

Average Day of Clearance: N/A

10.553 School Breakfast Program

Recipient: Department of Education

% of Funds Agency Receives: 100

Component: 10.553 School Breakfast Program

Technique: Actual Clearance, ZBA - Same Day Payment

Average Day of Clearance: N/A

10.555 National School Lunch Program

Recipient: Department of Education

% of Funds Agency Receives: 100

Component: Program

Technique: Actual Clearance, ZBA - Same Day Payment

Average Day of Clearance: N/A

10.558 Child and Adult Care Food Program

Recipient: Department of Education

% of Funds Agency Receives: 100

Component: Program

Technique: Actual Clearance, ZBA - Same Day Payment

Average Day of Clearance: N/A

17.225F Unemployment Insurance -- Federal Benefit Account and
Administrative Costs
Recipient: Employment Security Commission
% of Funds Agency Receives: 97
Component: Federal Benefits
Technique: Actual Clearance, ZBA - Same Day Payment
Average Day of Clearance: N/A

17.225F Unemployment Insurance -- Federal Benefit Account and
Administrative Costs
Recipient: Employment Security Commission
% of Funds Agency Receives: 3
Component: Administrative
Technique: Cost Allocation - Weekly - Variation #1
Average Day of Clearance: N/A

17.225S Unemployment Insurance -- State Benefit Account
Recipient: Employment Security Commission
% of Funds Agency Receives: 100
Component: State Benefits
Technique: Actual Clearance, ZBA - Same Day Payment
Average Day of Clearance: N/A

20.205 Highway Planning and Construction
Recipient: Department of Transportation
% of Funds Agency Receives: 2
Component: Debt Service
Technique: Actual Clearance, ZBA - ACH
Average Day of Clearance: N/A

20.205 Highway Planning and Construction
Recipient: Department of Transportation
% of Funds Agency Receives: 2
Component: Payroll
Technique: Cost Allocation - Actual - Biweekly
Average Day of Clearance: N/A

20.205 Highway Planning and Construction
Recipient: Department of Transportation
% of Funds Agency Receives: 96
Component: Contractor and Right of Way Payments
Technique: Payment Schedule - Weekly - Variation #7
Average Day of Clearance: N/A

64.015 Veterans State Nursing Home Care
Recipient: Department of Veterans Affairs
% of Funds Agency Receives: 91
Component: Program - Payroll
Technique: Payment Schedule - Monthly - Variation #5
Average Day of Clearance: N/A

64.015 Veterans State Nursing Home Care
Recipient: Department of Veterans Affairs
% of Funds Agency Receives: 9
Component: Program - Warrants
Technique: Payment Schedule - Monthly - Variation #5
Average Day of Clearance: N/A

84.010 Title I Grants to Local Educational Agencies
Recipient: Department of Education
% of Funds Agency Receives: 99

Component: Program
Technique: Actual Clearance, ZBA - Same Day Payment
Average Day of Clearance: N/A

84.010 Title I Grants to Local Educational Agencies
Recipient: Department of Education
% of Funds Agency Receives: 1
Component: Payroll
Technique: Actual Clearance, ZBA - Same Day Payment
Average Day of Clearance: N/A

84.027 Special Education -- Grants to States
Recipient: Department of Education
% of Funds Agency Receives: 98
Component: Program
Technique: Actual Clearance, ZBA - Same Day Payment
Average Day of Clearance: N/A

84.027 Special Education -- Grants to States
Recipient: Department of Education
% of Funds Agency Receives: 2
Component: Payroll
Technique: Actual Clearance, ZBA - Same Day Payment
Average Day of Clearance: N/A

84.425 Education Stabilization Fund
Recipient: Department of Education
% of Funds Agency Receives: 90
Component: ESSER II - Flow Through to LEAs
Technique: Actual Clearance, ZBA - Same Day Payment
Average Day of Clearance: N/A

84.425 Education Stabilization Fund
Recipient: Department of Education
% of Funds Agency Receives: 10
Component: ESSER II - Administrative and Contractual Activities
Technique: Average Clearance
Average Day of Clearance: 3 Days

84.425 Education Stabilization Fund
Recipient: Department of Education
% of Funds Agency Receives: 90
Component: ARP-ESSER III Program (90% of total CFDA)
Technique: Actual Clearance, ZBA - Same Day Payment
Average Day of Clearance: N/A

84.425 Education Stabilization Fund
Recipient: Department of Education
% of Funds Agency Receives: 10
Component: ARP-ESSER III Administrative and Contractual Activities
(10% of total CFDA)
Technique: Average Clearance
Average Day of Clearance: 3 Days

93.323 Epidemiology and Laboratory Capacity for Infectious Diseases
(ELC)
Recipient: Department of Health
% of Funds Agency Receives: 100
Component: COVID-19 Epidemiology and Laboratory Capacity for
Infectious Diseases (ELC)
Technique: Average Clearance

Average Day of Clearance: 3 Days

93.575 Child Care and Development Block Grant
Recipient: Department of Human Services
% of Funds Agency Receives: 100
Component: Daycare Payments, EBT Component
Technique: Actual Clearance, ZBA - ACH
Average Day of Clearance: N/A

93.658 Foster Care -- Title IV-E
Recipient: Department of Human Services
% of Funds Agency Receives: 48
Component: Program
Technique: Payment Schedule - Monthly - Variation #1
Average Day of Clearance: N/A

93.658 Foster Care -- Title IV-E
Recipient: Department of Human Services
% of Funds Agency Receives: 52
Component: Administrative, Nonpayroll
Technique: Payment Schedule - Monthly - Variation #1
Average Day of Clearance: N/A

93.659 Adoption Assistance
Recipient: Department of Human Services
% of Funds Agency Receives: 37
Component: Program
Technique: Payment Schedule - Monthly - Variation #1
Average Day of Clearance: N/A

93.659 Adoption Assistance
Recipient: Department of Human Services
% of Funds Agency Receives: 63
Component: Administrative, Nonpayroll
Technique: Payment Schedule - Monthly - Variation #1
Average Day of Clearance: N/A

93.767 Children's Health Insurance Program
Recipient: Health Care Authority
% of Funds Agency Receives: 100
Component: Program - ACH Payments
Technique: Actual Clearance, ZBA - ACH
Average Day of Clearance: N/A

93.778 Medical Assistance Program
Recipient: Health Care Authority
% of Funds Agency Receives: 5.8
Component: Administrative, Payroll and Nonpayroll
Technique: Payment Schedule - Monthly - Variation #1
Average Day of Clearance: N/A

93.778 Medical Assistance Program
Recipient: Health Care Authority
% of Funds Agency Receives: .2
Component: Administrative, Payroll and Nonpayroll
Technique: Cost Allocation - Actual - Quarterly
Average Day of Clearance: N/A

93.778 Medical Assistance Program
Recipient: Health Care Authority

% of Funds Agency Receives: 91
Component: Program - ACH Payments
Technique: Actual Clearance, ZBA - ACH
Average Day of Clearance: N/A

93.778 Medical Assistance Program
Recipient: Health Care Authority
% of Funds Agency Receives: 3
Component: Program - Warrants
Technique: Average Clearance
Average Day of Clearance: 4 Days

97.036 Disaster Grants - Public Assistance (Presidentially Declared
Disasters)
Recipient: Department of Emergency Management
% of Funds Agency Receives: 100
Component: Program
Technique: Average Clearance
Average Day of Clearance: 3 Days

6.3.3 Materiality Exemptions

Agencies exempt from coverage on the basis of materiality:

Department of Health's portions of 93.767 and 93.778 were less than 5% of the State's threshold.
Department of Transportation's portion of 97.036 was less than 5% of the State's threshold.
Office of Juvenile Affairs' portions of 84.010, 84.027, 93.658 and 93.778 were less than 5% of the State's threshold.
Mental Health and Substance Abuse Services' portions of 84.027, 93.767 and 93.778 were less than 5% of the State's threshold.
Department of Human Services' portion of 10.559 was less than 5% of the State's threshold.
10.559 was removed from the program list as it was under the state threshold.

6.4.0 In instances where a change in policy of the federal grantor agency may result in the state's inability to follow the stated funding techniques, the state may adjust the funding techniques as necessary to maintain the interest neutral status provided by the stated funding techniques.

7.0 CLEARANCE PATTERNS

7.1 The State shall develop separate clearance patterns for each of the following:

The State may develop a separate clearance pattern for an individual program, or develop a composite clearance pattern for a logical group of programs, or develop a clearance pattern on another basis acceptable to the Bureau of the Fiscal Service. The State shall ensure that a clearance pattern accurately represents the flow of Federal funds and that a clearance pattern reflects seasonal or other periodic variations in clearance activity.

7.2 The following shall develop the State's clearance patterns:

The State will develop the State's clearance patterns. The records of the Office of Management and Enterprise Services will serve as the system of record for sampling data. Supplemental data from the Oklahoma State Treasurer and the recipient agency will be utilized.

7.3 The sources of data the State shall use when developing its clearance patterns are as follows:

Development of clearance patterns will be based on data from at least 3 consecutive months; based on 100 percent of the data, or on a sample size sufficient to ensure, at a minimum, a 96 percent confidence interval for a plus or minus .25% weighted-day level of precision; and truncated at no less than 99 percent of disbursement dollars.

7.4 The State shall use the following methodology when developing its clearance patterns:

When developing each clearance pattern, the State shall track at least 99% of the funds disbursed, from issuance to clearance, for a period of at least three months.

7.5 The State shall identify for each check or warrant (hereafter, check) in the population: (1) the date the check was released for payment; (2) the date the check was debited from the State's account, and, (3) the amount of the check.

7.6 The State shall use the following method to calculate the dollar-weighted average day of clearance:

To determine the number of days each check was outstanding (clearance time), the issue date shall be subtracted from the date the check cleared the State's account.

To determine the percentage of the disbursement paid out each day following issuance, the amount of the checks that clear the State's account each day shall be summed and then divided by the amount of the total disbursement.

For each day following issuance, the clearance time of the checks paid out that day shall be multiplied by the percentage of the total disbursement those checks represent. This product is the clearance factor.

The dollar-weighted average day of clearance for the disbursement shall be determined by summing the clearance factor of each day following the disbursement.

7.7 The State shall adjust each clearance pattern to reflect the dollar-weighted proportion of funds paid out by EFT/Direct payroll, with the following exceptions:

None

The State shall also adjust each clearance pattern to reflect:

Not Applicable

7.8 Each of the State's clearance patterns is calculated in Calendar days.

7.9 An authorized State official shall certify that each clearance pattern developed by the State accurately corresponds to the clearance activity of the programs to which it is applied. This certification shall be provided to the Fiscal Service prior to the effective date of the Agreement. The State shall recertify its clearance patterns at least every five years.

7.10 The State shall follow the procedures of 31 CFR 205 if it has actual or constructive knowledge, at any time, that a clearance pattern does not correspond to a program's clearance activity.

8.0 INTEREST CALCULATION METHODOLOGY

8.1 General Terms

8.1.1 The State and the Secretary agree that no interest liabilities will be incurred for transfers of funds made in accordance with the procedures specified in section 6 of this Agreement where the following funding techniques are applied:

- Actual Clearance, ZBA - ACH
- Actual Clearance, ZBA - Same Day Payment
- Average Clearance
- Cost Allocation - Actual - Biweekly
- Cost Allocation - Actual - Quarterly
- Cost Allocation - Weekly - Variation #1
- Payment Schedule - Monthly - Variation #1
- Payment Schedule - Monthly - Variation #5
- Payment Schedule - Weekly - Variation #7

8.1.2 The State shall maintain information on disbursements and receipts of funds to verify the implementation of any funding technique and document interest liabilities.

For each disbursement, the State shall be able to identify:

- (1) amount of the issuance
- (2) date of issuance
- (3) date Federal funds are received and credited to a State account
- (4) amount of Federal funds received
- (5) date funds were requested

8.2 Federal Interest Liabilities

8.2.1 A Federal interest liability shall accrue from the day the State pays out its own funds for program purposes to the day Federal funds are credited to a State account. With regard to funds transferred out of the Federal Highway Trust Fund, if a State does not bill at least weekly for current project costs, the Federal interest liability shall not accrue prior to the day the State submits a request for funds.

8.2.2 The State shall use the following method to calculate Federal interest liabilities:

The State shall track the actual cash activity for each Federal program by its own account. A negative cash balance at the close of business indicates the State paid out its own funds for program purposes in the absence of supporting Federal funds. The Federal interest liability shall be calculated by applying the daily interest to a program's negative cash balance.

8.3 The Unemployment Trust Fund

8.3.1 The State shall use the following method to calculate State interest liabilities on funds withdrawn from the several accounts in the Unemployment Trust Fund:

Based on statements provided by its financial institution, or other appropriate source, the State shall determine the actual interest earnings and the related banking costs attributable to funds withdrawn from its account in the UTF.

At the end of the State fiscal year, the State shall calculate the percentage of its total unemployment compensation expenditures for (1) funds withdrawn from the State account in the UTF, or the State %, and (2) funds withdrawn from the Federal Employees Compensation Account (FECA) and the Extended Unemployment Compensation Account (EUCA) and any other accounts of Federal funds in the UTF, or the Federal %.

The State shall calculate the actual interest earnings and the related banking costs attributable to funds withdrawn from the State account in the UTF by multiplying the State % by the amount of the actual interest earnings and the related banking costs of the account as a whole. The State liability for interest on funds withdrawn from its account in the UTF shall consist of the actual interest earnings attributable to such funds less the related banking costs attributed to such funds. If bank charges exceed interest earned, the state will incur no liability.

The State shall determine the average daily cash balance of its unemployment compensation benefit payment account for its fiscal year. The State shall calculate the average daily cash balance of Federal funds by multiplying the Federal % by the average daily cash balance of the benefit payment account on the whole. The State liability for interest on funds withdrawn from the FECA and EUCA (and any other benefit accounts of Federal funds in the UTF from which the State draws funds) shall be the average daily cash balance of Federal funds multiplied by the annualized rate equal to the average equivalent yields of 13-week Treasury bills auctioned during the State fiscal year.

8.4 Refund Liabilities

8.4.1 The State shall be liable for interest on refunds from the date the refund is credited to a State account until the date the refund is debited from the State account for program purposes. The State shall apply a \$50,000 refund transaction threshold below which the State shall not incur or calculate interest liabilities on refunds. A transaction is defined as a single deposit.

8.4.2 For each refund, the State shall maintain information identifying:

- (1) date a refund is credited to a State account
- (2) date of the subsequent deposit of Federal funds against which the refund is offset
- (3) amount of the refund

8.4.3 The State shall use the following methodology to calculate interest liabilities on refunds:

Refunds Deposited to Non-Interest Neutral Programs - Liability Captured Manually by Each Agency:

For programs to which applicable non-interest neutral funding techniques are applied, each State agency shall maintain records identifying:

- (1) the date of the refund
- (2) the date the refund is offset against subsequent deposit of Federal funds
- (3) the check issue date for the disbursement related to the subsequent deposit of Federal funds
- (4) the amount of the refund

Interest shall be calculated based on the difference in whole days between the date the refund is deposited in a State account and the date the refund is paid out for program purposes. The State shall measure this period by dividing it into three periods: the pre-offset period, the pre-disbursement period, and the clearance period.

The pre-offset period is from deposit of the refund to the subsequent deposit of Federal funds against which the refund is offset. The pre-disbursement period is from the deposit of Federal funds against which the refund is offset to the issuance of checks, as measured by period one calculations. The clearance period is from the issuance of checks to the clearance of checks.

8.5 Exemptions

8.5.1 Where more than one State agency is a recipient of Federal funds under a program, a particular State agency's funding may be excluded from interest calculation procedures if the State agency receives an amount of funds less than 5 % of the State's threshold for major Federal assistance programs. Notwithstanding this potential exemption, however, in no case shall less than 90% of a program's total funding be subject to interest calculation procedures.

Proration of calculations: If less than total program funding is subject to interest calculation procedures, the resulting interest liability calculations shall be prorated to 100% of program funding.

8.6 State Interest Liabilities

8.6.1 The State shall be liable for interest on Federal funds from the date Federal funds are credited to a State account until the date those funds are paid out for program purposes.

8.6.2 The State shall use the following method to calculate State interest liabilities on Federal funds:

8.6.2.1 Measuring Time Funds Are Held

To determine the total time Federal funds are held, the State shall measure the time between the date Federal funds are received and credit to a State's account and the date those funds are debited from the State's account.

8.6.2.2 Source of Data

The time period from deposit to clearance shall be determined from information captured by each state agency.

8.6.2.3 Standards Applied

For interest calculation the average daily balance of Federal funds in the program's account reflects balances created from the date of deposit to the date funds are paid out when procedures listed in section 6 are not applied and/or when the preissuance funding technique is applied. The State interest liability shall begin on the day Federal funds are deposited as stated in section 6.3 and the State does not pay out as stated in section 6.3.

8.6.2.4 Calculation Procedure

$I = ADB \times R$, where

I = State's total interest liability

ADB = Average Daily Balance of cash in a program's account, measured from deposit to clearance

R = Annualized rate equal to the average equivalent yields of 13-week Treasury bills auctioned during a State's fiscal year

8.7.0 The State will not incur an interest liability to the Federal Government on WIC rebate funds provided that all interest earned by the State on these funds is used for program purposes.

9.0 REVERSE FLOW PROGRAMS

The State is not required to cover any reverse flow programs under the terms of this Agreement because the program falls below the State's threshold.

10.0 INTEREST CALCULATION COSTS

10.1 As set forth in 31 CFR 205.27, interest calculation costs are defined as those costs necessary for the actual calculation of interest, including the cost of developing and maintaining clearance patterns in support of the interest calculations. Interest calculation costs do not include expenses for normal disbursing services, such as processing of checks or maintaining records for accounting and reconciliation of cash balances, or expenses for upgrading or modernizing accounting systems. Interest calculation costs in excess of \$50,000 in any year are not eligible for reimbursement, unless the State provides justification with the annual report.

10.2 The State expects to incur the following types of interest calculation costs:

Average Daily Balance Software (including computer programming, data entry of interest events, and machine usage), Review of interest calculation, and Preparation of Annual Report.

10.3 The State shall submit all claims for reimbursement of interest calculation costs with its Annual Report in accordance with 31 CFR 205.

11.0 NON-COMPLIANCE

11.1 The provisions of 31 CFR Part 205.29 and 31 CFR Part 205.30 shall apply in cases of non-compliance with the terms of this Agreement.

12.0 AUTHORIZED SIGNATURES

Felicia Clark
State Comptroller, Office of Management and Enterprise Services

DocuSigned by:
Felicia Clark
Signature: _____ Date Signed: 12/19/2023
9A9E75C79F4145C...

Date Submitted 12/19/2023

D. Michael Linder
Assistant Commissioner
Revenue Collections Management
Bureau of the Fiscal Service
U.S. Department of the Treasury

DocuSigned by:
D. Michael Linder
Signature: _____ Date Signed: 12/30/2023
0DA4F4D15A0C4BD...

Exhibit I - Funds Request and Receipt Times Schedule**State of Oklahoma**

| Federal Agency | Payment Type | Request Cut-Off Time | Receipt Window |
|-----------------------------------|--------------|----------------------|----------------|
| Agriculture-FNS | ACH | 11:59 PM | 1 day |
| Agriculture-FNS | Fedwire | 5:45 PM | 0 day |
| Agriculture-FS | ACH | 3:00 PM | 1 day |
| Air National Guard | ACH | 12:00 PM | 15 days |
| Army National Guard | ACH | 12:00 PM | 15 days |
| Commerce-NOAA | ACH | 2:00 PM | 1 day |
| Dept of Homeland Security (FEMA) | Fedwire | 2:00 PM | 2 days |
| Dept of Homeland Security (ODP) | ACH | 2:00 PM | 2 days |
| Dept of Homeland Security (ODP) | Fedwire | 2:00 PM | 2 days |
| EPA | ACH | 2:00 PM | 2 days |
| EPA | Fedwire | 2:00 PM | 0 day |
| Education | ACH | 3:00 PM | 1 day |
| Education | Fedwire | 2:00 PM | 0 day |
| Energy | ACH | 4:00 PM | 1 day |
| Energy | Fedwire | 3:00 PM | 0 day |
| HHS | ACH | 5:00 PM | 1 day |
| HHS | Fedwire | 3:00 PM | 0 day |
| HUD | ACH | 5:30 PM | 2 days |
| HUD | Fedwire | 3:00 PM | 0 day |
| Interior-FWS | ACH | 11:59 PM | 1 day |
| Interior-FWS | Fedwire | 5:45 PM | 0 day |
| Interior-OSM | ACH | 3:00 PM | 1 day |
| Interior-OSM | Fedwire | 1:00 PM | 0 day |
| Justice | ACH | 11:00 PM | 6 days |
| Justice | Fedwire | 2:00 PM | 2 days |
| Labor-Non-UTF | ACH | 3:00 PM | 1 day |
| Labor-UTF | ACH | 3:00 PM | 1 day |
| Labor-UTF | Fedwire | 3:00 PM | 0 day |
| National Science Foundation (NSF) | ACH | 8:00 PM | 1 day |
| National Science Foundation (NSF) | Fedwire | 5:45 PM | 0 day |
| Social Security Administration | ACH | 11:59 PM | 1 day |
| Social Security Administration | Fedwire | 5:45 PM | 0 day |
| Transportation (FAA) | ACH | 2:00 PM | 1 day |
| Transportation (FHWA) | ACH | 12:00 PM | 3 days |
| Transportation (FHWA) | Fedwire | 12:00 PM | 0 day |
| Transportation (FTA) | ACH | 2:00 PM | 1 day |
| Veterans Administration | ACH | 12:00 PM | 3 days |

Exhibit II - State of Oklahoma
LIST OF STATE CLEARANCE TIMES

(Rounded Dollar-Weighted Average Day of Clearance)

Clearance Times Where the Timing of A Draw Down Is Based on A Clearance Pattern

| CFDA | Program Name | Recipient | % | Component | Technique | Rounded days |
|-------------|--|--------------------------------|-------|--------------------------------------|---|--------------|
| 10.542 | Pandemic EBT Food Benefits | Department of Human Services | 100.0 | EBT | Actual Clearance, ZBA - ACH | N/A |
| 10.551 | Supplemental Nutrition Assistance Program | Department of Human Services | 100.0 | Program, EBT Component | Actual Clearance, ZBA - ACH | N/A |
| 10.553 | School Breakfast Program | Department of Education | 100.0 | 10.553 School Breakfast Program | Actual Clearance, ZBA - Same Day Payment | N/A |
| 10.555 | National School Lunch Program | Department of Education | 100.0 | Program | Actual Clearance, ZBA - Same Day Payment | N/A |
| 10.558 | Child and Adult Care Food Program | Department of Education | 100.0 | Program | Actual Clearance, ZBA - Same Day Payment | N/A |
| 17.225 F | Unemployment Insurance -- Federal Benefit Account and Administrative Costs | Employment Security Commission | 97.0 | Federal Benefits | Actual Clearance, ZBA - Same Day Payment | N/A |
| | Unemployment Insurance -- Federal Benefit Account and Administrative Costs | Employment Security Commission | 3.0 | Administrative | Cost Allocation - Weekly - Variation #1 | N/A |
| 17.225 S | Unemployment Insurance -- State Benefit Account | Employment Security Commission | 100.0 | State Benefits | Actual Clearance, ZBA - Same Day Payment | N/A |
| 20.205 | Highway Planning and Construction | Department of Transportation | 2.0 | Debt Service | Actual Clearance, ZBA - ACH | N/A |
| | Highway Planning and Construction | Department of Transportation | 2.0 | Payroll | Cost Allocation - Actual - Biweekly | N/A |
| | Highway Planning and Construction | Department of Transportation | 96.0 | Contractor and Right of Way Payments | Payment Schedule - Weekly - Variation #7 | N/A |
| 64.015 | Veterans State Nursing Home Care | Department of Veterans Affairs | 91.0 | Program - Payroll | Payment Schedule - Monthly - Variation #5 | N/A |

| | | | | | | |
|--------|--|--------------------------------|-------|---|---|--------|
| | Veterans State Nursing Home Care | Department of Veterans Affairs | 9.0 | Program - Warrants | Payment Schedule - Monthly - Variation #5 | N/A |
| 84.010 | Title I Grants to Local Educational Agencies | Department of Education | 99.0 | Program | Actual Clearance, ZBA - Same Day Payment | N/A |
| | Title I Grants to Local Educational Agencies | Department of Education | 1.0 | Payroll | Actual Clearance, ZBA - Same Day Payment | N/A |
| 84.027 | Special Education -- Grants to States | Department of Education | 98.0 | Program | Actual Clearance, ZBA - Same Day Payment | N/A |
| | Special Education -- Grants to States | Department of Education | 2.0 | Payroll | Actual Clearance, ZBA - Same Day Payment | N/A |
| 84.425 | Education Stabilization Fund | Department of Education | 90.0 | ESSER II - Flow Through to LEAs | Actual Clearance, ZBA - Same Day Payment | N/A |
| | Education Stabilization Fund | Department of Education | 10.0 | ESSER II - Administrative and Contractual Activities | Average Clearance | 3 Days |
| 84.425 | Education Stabilization Fund | Department of Education | 90.0 | ARP-ESSER III Program (90% of total CFDA) | Actual Clearance, ZBA - Same Day Payment | N/A |
| | Education Stabilization Fund | Department of Education | 10.0 | ARP-ESSER III Administrative and Contractual Activities (10% of total CFDA) | Average Clearance | 3 Days |
| 93.323 | Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) | Department of Health | 100.0 | COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) | Average Clearance | 3 Days |
| 93.575 | Child Care and Development Block Grant | Department of Human Services | 100.0 | Daycare Payments, EBT Component | Actual Clearance, ZBA - ACH | N/A |
| 93.658 | Foster Care -- Title IV-E | Department of Human Services | 48.0 | Program | Payment Schedule - Monthly - Variation #1 | N/A |
| | Foster Care -- Title IV-E | Department of Human Services | 52.0 | Administrative, Nonpayroll | Payment Schedule - Monthly - Variation #1 | N/A |
| 93.659 | Adoption Assistance | Department of Human Services | 37.0 | Program | Payment Schedule - Monthly - Variation #1 | N/A |
| | Adoption Assistance | Department of Human Services | 63.0 | Administrative, Nonpayroll | Payment Schedule - Monthly - Variation #1 | N/A |

| | | | | | | |
|--------|---|------------------------------------|-------|--|---|--------|
| 93.767 | Children's Health Insurance Program | Health Care Authority | 100.0 | Program - ACH Payments | Actual Clearance, ZBA - ACH | N/A |
| 93.778 | Medical Assistance Program | Health Care Authority | 5.8 | Administrative, Payroll and Nonpayroll | Payment Schedule - Monthly - Variation #1 | N/A |
| | Medical Assistance Program | Health Care Authority | 0.2 | Administrative, Payroll and Nonpayroll | Cost Allocation - Actual - Quarterly | N/A |
| | Medical Assistance Program | Health Care Authority | 91.0 | Program - ACH Payments | Actual Clearance, ZBA - ACH | N/A |
| | Medical Assistance Program | Health Care Authority | 3.0 | Program - Warrants | Average Clearance | 4 Days |
| 97.036 | Disaster Grants - Public Assistance (Presidentially Declared Disasters) | Department of Emergency Management | 100.0 | Program | Average Clearance | 3 Days |

Certification

I hereby certify that an authorized State official has certified at least every five years that the "Rounded Days of Clearance" listed in Exhibit 2 of this Treasury-State Agreement:

1. Have been prepared in accordance with the standards provided in 31 CFR 205.20;
2. Accurately represent the flow of Federal funds under the Federal assistance programs to which they apply;
3. Reflect seasonal or other periodic variations in the clearance activities; and,
4. Are auditable.

Date: 12/19/2023

Printed Name: Felicia Clark

Certifying Signature: 
9A9E75C79F4145C...

Title: Oklahoma State Comptroller